

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

PJM Interconnection, L.L.C.

Docket Nos. EL05-148-000
and ER05-1410-000

NOTICE OF STAFF TECHNICAL CONFERENCE

(May 1, 2006)

Take notice that, as directed by the Commission in its April 20, 2006 Order,¹ a staff technical conference will be held on Wednesday, June 7, 2006, from 9 a.m. to 5:00 p.m. (EST) and Thursday, June 8, 2006, from 9 a.m. onwards, but no later than 5:00 p.m. (EST) at the Federal Energy Regulatory Commission, 888 First Street N.E., Washington, D.C. 20426, in a room to be designated.

As explained in the April 20 Order, the purpose of the conference will be to address specific issues relating to the mechanisms to be used by PJM Interconnection, L.L.C. (PJM) to enable customers to satisfy reliability requirements. This conference is intended to be an informal working session focused solely on determining the appropriate parameters for the variable resource requirement, and the long term fixed resource adequacy requirement accepted by the Commission in the April 20 Order. It is, therefore, not appropriate to revisit the merits of those elements of RPM themselves in this technical conference.

The following issues to be discussed at the conference were set forth by the Commission in Appendix A to the April 20 Order:

I. Variable Resource Requirement:

- A. How should the height and slope of the downward sloping demand curve be determined? Should the curve be based on the net cost of new generation entry, or on other factors such as the value to customers of alternative levels of capacity?
- B. If the demand curve is based on the cost of new generation entry, what is the cost of new entry?
- C. How should expected revenues from the energy and ancillary service markets be estimated and how should they be used to adjust the height and slope of the demand curve?

¹ *PJM Interconnection, L.L.C.*, 115 FERC ¶ 61,079 (2006) (April 20 Order).

- D. What is the appropriate capacity level at which the capacity price should equal the net cost of new entry.
- E. What is the appropriate slope or slopes for various portions of the demand curve?
- F. What is the appropriate maximum price and the appropriate capacity level at which the price of capacity should fall to zero?

II. Long Term Fixed Resource Adequacy Requirement:

- A. What should be the time period for which load serving entities (LSEs) must commit to using the long-term fixed resource requirement option?
- B. What should be the level of deficiency charge needed to ensure compliance?
- C. Should an LSE that fails to procure the full amount of capacity be precluded thereafter from using the long-term fixed resource requirement option?
- D. How much capacity should the LSE be required to procure under this option?

All attendees will be welcome to participate to the extent possible. Parties who will participate in a conference panel will be asked to submit written comments of their position on the issues set forth above by May 30, 2006. Parties interested in serving on panels addressing specific issues may notify the Commission by accessing an online form at <http://www.ferc.gov/whats-new/registration/pjm-06-07-speaker-form.asp>. Please specify which of the topics you propose to address. All requests should be submitted on or before May 10, 2006. To ensure that all points of view are represented and to help the conference move more smoothly and expeditiously, we encourage parties sharing the same position on an issue or issues to coordinate their efforts and designate one speaker to represent their shared position. In place of preliminary presentations from the panelists, staff will present questions to the panelists and ask for responses and discussion. To the extent that time permits during each panel, staff will also take questions or comments from the floor. Facilities for real-time PowerPoint presentations will not be available. All parties may file post-conference comments on or before June 22, 2006.

The conference will be transcribed. Transcripts of the conference will be immediately available from Ace Reporting Company (202-347-3700 or 1-800-336-6646) for a fee. They will be available for the public on the Commission's eLibrary seven calendar days after FERC receives the transcript. The eLibrary is accessible to the public on the Internet at <http://ferc.fed.us/docs-filing/elibrary.asp>.

FERC conferences are accessible under section 508 of the Rehabilitation Act of 1973. For accessibility accommodations please send an e-mail to accessibility@ferc.gov or call toll free (866) 208-3372 (voice) or 202-208-1659 (TTY), or send a FAX to 202-208-2106 with the required accommodations.

All interested parties and staff are permitted to attend the conference. For more information about the conference, please contact John McPherson by e-mail at john.mcpherson@ferc.gov or by phone at 202-502-6418.

Magalie R. Salas
Secretary